FINANCIAL NEWS AND COMMENT

Stock Market Is Dull and Inactive and Reflects Lack of Buying Power.

NET CHANGES ARE SMALL

Local Bank Statement Indicates Call Money Supply May Be Reduced.

The stock market was dull and inactive in yesterday's short session in the New York Stock Exchange, with a lack of buying power in evidence and with an impulse to transact no more business than necessity or short covering required. The statement of condition of the banks and reserve banks was awaited, and while the word was passed around that the Interstate Commerce Commission would announce the new freight rates in the afternoon the only class of rails to respond in any degree was the low priced group. Apparently professionals awaited evidence as to whether the commission would be liberal or narrow in its interpretation of the transportation act, which requires higher rates. The news that the Illinois coal strikers would be back at work early this week passed almost unnoticed, and evidences that the railroad traffic situation was showing steady improvement were ignored. Steel stocks were somewhat heavy, but in general the net changes were slight. Strong and relatively active features were the American Locomotive Company, of which an early and favorable earnings statement is anticipated; Baltimore and Ohio, Chesapeake and Ohio and Minneapolis and St. Louis, known as low priced rails, and Canadian Pacific. The volume for the two hours was less than 200,000 shares.

Despite the statement issued in Washington by John Skelton Williams, Comptroller of the Currency, that reserve banks had a reserve and unused lending power of $750,000,000, which could be increased in emergency to $2,250,000,000, there was no indication that Wall Street thought that there was any improvement in the credit situation. On the contrary the opinions of New York bankers, already expressed, agreed that there was and should be credit only for the most essential purposes, and as there is no provision in the reserve act for rediscount of paper secured by stocks and bonds, Wall Street took the view correctly that it would get only the surplus and idle funds that remained after essential purposes had been satisfied. The Comptroller's assertion that New York bankers are charging their customers 10 to 15 per cent. for loans confounds, it is believed in Wall Street, the rate for loans for stock market purposes with that for loans for commercial purposes. The latter rate in general ranges from 6 to 8 per cent. with only one known exception. As banks receive no help whatever from the reserve banks in making loans for stock market purposes, they feel free to charge their customers and others the rate warranted by the state of demand and supply. That rate has ranged from 7 to 12 per cent. and even to 15, and, under the circumstances, is bound to be subject to wide fluctuations during the coming weeks of great demand for currency in connection with crops and their movement. At the moment there is a very light demand for loans for stock market purposes and a fairly comfortable supply, which would disappear quickly were the rate to drop below 8 per cent. With the withdrawal on Tuesday of $14,000,000 of United States funds a fluctuation upward in call money would cause no surprise.

An indication that the supply of call money may be reduced somewhat early this week is found in the Clearing House bank statement, which showed a deficit in the Clearing House banks of $6,036,520, in contrast to a deficit of $4,276,520 a week ago. There was little change in cash reserves, but deposits increased about $10,000,000. The weakness during the week in the stock market produced real liquidation, as may be seen in the contraction of loans amounting to $20,599,000. The statement of the Reserve Bank of New York showed a trifling improvement in reserve ratios, the ratio of total reserves rising from 40.2 per cent. to 40.4 per cent. and the ratio of reserves to net deposits after provision for the notes rising from 40.5 per cent. to 40.9 per cent. There was a gain of $5,000,000 in total gold reserves and an expansion of $2,750,000 in reserve notes in circulation. There was practically no change in the Reserve Bank's earning assets. Foreign exchange was featureless except for strength in sterling. The cotton and grain markets were weak.

MONEY AND EXCHANGE.

CALL MONEY FOR WEEK.

STUDEBAKER NET GAINS.

Profits for Second 1920 Quarter Are $3,006,965.

COTTON MARKET.

... News from mill centres was particularly discouraging, one Southern report saying that a large Augusta mill would shut down for a month owing to lack of new business. Wall Street and Southern interests sold heavily in the final half hour, when the list dropped 40 to about 75 points to new lows for the session. The close was at the bottom and generally 45 to 80 points down. Local spot was unchanged at 40 cents a pound.

Range of prices:

	Open.	High.	Low.	Close.	Friday.
August	.....	.....	.....	34.00M	34.80
September	.....	.....	.....	32.65M	33.40
October	32.05	32.05	31.29	31.27-29	32.02
November	.....	.....	.....	30.80M	31.35
December	30.50	30.50	30.00	30.00T	30.58
January	29.60	29.60	29.18	29.18-23	29.75
February	.....	.....	.....	29.00M	29.55
March	29.10	29.15	28.90	28.90-95	29.35
April	.....	.....	.....	28.70M	29.15
May	28.80	28.80	28.45	28.50T	29.00
June	.....	.....	.....	28.30M	28.80

Spots—Local, 40; New Orleans, 38.75.

Hercules Powder's Surplus Up.

The Hercules Powder Company, reporting yesterday for the half year ended on June 30, showed a surplus, after charges and Federal taxes, of $1,265,285, which contrasts with $488,420 in the corresponding 1919 period. After deduction of preferred dividends, the company's earnings on common stock were $15.03, against $4.21. Its gross receipts were $9,683,942, against $12,173,831 in the first half of 1919 and $19,830,967 in the first half of 1918.

WHEAT PRICES FALL IN WEAK MARKET

Closing Shows Net Losses of 11 1-2 to 12 1-2 Cents.

The wheat market was yesterday in a demoralized condition and prices were weak throughout the session, closing at only slightly more than the lowest, and with net losses of 11½ to 12½ cents for the day, and representing a break of 46 cents a bushel during the week. The December position in Chicago sold down to $2.11, or 64 cents less than the price at which trading operations were resumed on July 15.

The prevailing opinion in the trade was that prices were undergoing readjustment to conform with the new crop situation and national and international finances. Under the circumstances few operators were willing to venture an opinion on the market's action in the immediate future and no one was able to say whether or not the decline had gone far enough. It was evident, however, that the action of values was due primarily to the tremendous pressure of cash wheat from the interior. Cash values in all positions melted with great rapidity, and wheat was offered in large blocks for immediate shipment.

Export buyers were in most cases holding off, and although there was more or less business for export and a good deal of covering by cash interests the demand was entirely inadequate to offset the volume of wheat offered from the interior.

Shippers are evidently being able to obtain more cars in which to ship their grain and receipts are expected to increase rapidly. Export requirements are large because the United States is the principal source of supply to Europe, but the crop has turned out much larger than anticipated and there is a huge surplus to be marketed.

WHEAT—In the local cash market No. 2 red and No. 2 hard were quoted at $2.45@2.48 c. i. f. track.

CORN—The market was dominated by the action of wheat and prices gave way rapidly under heavy liquidation, closing at about the lowest, with net losses of 3¼@[illegible]c. There were private reports of scattered showers over portions of the corn belt and cash corn throughout the West was weak and lower. Offers of Argentine corn here were again of liberal proportions and prices were much below parity with domestic quotations. Receipts showed a falling off of about 325,000 bushels for the week, but demand was also moderate. In the local cash market No. 2 yellow was quoted at $1.59 c. and f. New York.

OATS—The market was weak and irregular, although aside from the July position, which closed with net losses of 5½c., price changes were moderate, late months showing declines of ½@1¼c. Receipts were fair and for the week showed gains of about 500,000 bushels. The local cash market was easier, Nos. 1, 2, 3 and 4 white quoted at 96@98c.; fancy clipped white, 98 cents; ordinary clipped white, 96c., all elevator.

RYE—Market weak. No. 2 Western, $1.99, f. o. b., and $1.87 c. i. f. New York.

BARLEY—Market quiet. Feeding, $1.20; malting, $1.27, c. i. f. New York.

HAY—Market steady. No. 1, $2@2.10; No. 2, $1.90@2; No. 3, $1.75@1.85; shipping, $1.45@1.70.

STRAW—Market easier. No. 1 rye, $20@22 a ton.

CHICAGO PRICES.

WHEAT—	Open.	High.	Low.	Close.	Friday.
December	219	220	211	211½	223
March	221½	223	212½	213	225½

SEABOARD CLEARANCES.

	Flour.	Wheat.	Corn.
Yesterday	5,000	622,000	......
Last week	9,000	561,000	......
Last year	18,000	477,000	......

PRODUCE MARKET.

BUTTER—Creamery, higher than extras, per lb., 55½@56c.; extras, 92 score, 55c.; firsts, 90 to 91 score, 53¼@54½c.; seconds, 83 to 87 score, 48¼@50½c.; firsts, 88 to 89 score, 51½@53c.; lower grades, 46@48c.; unsalted, higher than extras, 58½@59c.; extras, 57¼@58c.; extras, 53½@57c.; seconds, 50@52½c.; State, dairy tubs, finest, 54@54½c.; good to prime, 51@53c.; State dairy, common to fair, 45@50c.; ladles, current make, firsts, 46½@47c.; seconds, 43½@44c.; lower grades, 42@43c.; packing stock, current make, No. 1, 44c.; No. 2, 43c.; lower grades, 38@42c.

CHEESE—State, whole milk fresh flats, colored, lb., 27@28c.; whites, 27@28c.; average run, colored or whites, 25½@26½c.; lower grades, 20@25c.; twins, fresh specials, 26¼@27c.; average run, white or colored, 25@26c.; lower grades, 20@25c.; Wisconsin, fresh twins, 26@26½c.; single daisies, fresh, 26¼@27½c.; double daisies, fresh, 26½@27c.; Young Americas, fresh, 28¼@29½c.; fresh specials, 17@18c.; prime to choice, 15@16½c.; fair to good, 12@14½c.; lower grades, 5@10c.

EGGS—Fresh gathered, extras, per dozen, 54@55c.; extra firsts, 51@53c.; firsts, 47@50c.; seconds, 44@47c.; dirties, No. 1, regular packings, 39@42c.; fair to choice checks, dry, 35@38c.; State, Pennsylvania and nearby, Western, hennery whites, extras, 68@70c.; extra firsts, 64@67c.; firsts, 60@63c.; gathered whites, firsts to extra firsts, 60@67c.; undergrades, 50@58c.; Pacific coast, white, extras 68@70c.; extra firsts, 64@67c.; firsts, 60@63c.; undergrades, 54@58c.; other Western and Southern, gathered whites, 50@63c.; State, Pennsylvania and nearby, Western, hennery browns, extra, 58@62c.; gathered graded extras, brown and mixed colors, 54@55c.; firsts to extra firsts, 48@53c.

POULTRY, DRESSED—FRESH KILLED—Broilers, 1½ to 2 lbs. each, nearby, lb., 63@65c.; 1 to 1¼ lbs., 55@60c.; Virginia, 57@58c.; Western, dry picked, boxes, 25 lbs. and under, 58c.; 26 lbs. and over, 55@56c.; bbls., 54@55c.; iced, bbls., 53@54c.; fowls, dry-picked, boxes, Western, milk fed, 30@42c.; corn fed, 28@41c.; iced, bbls., Western, 28@39c.; milk fed, bbls. or kegs, 38c.; corn fed, 35@36c.; Ohio and Michigan, scalded, 35@38c.; old cocks, Western, dry picked, 26c.; scalded, 25c.; Southern, dry picked, 23c.; ducks, Long Island, spring, 35c.; squabs, large white, 8 to 10 lbs., dozen, $7@9; 6 to 7 lbs., $4.25@6; dark, $3; culls, $1.50@2. FROZEN—Turkeys, Western, 60c.; old toms, 56@58c.; chickens, dry picked, milk fed, boxes, 43@48c.; corn fed, 40@47c.; ducks, Western, 26@28c.; geese, 20@25c.

POULTRY, LIVE—Express broilers and fowls working out well at yesterday's prices. FOWLS—Freight, lb., 39c. OLD COCKS—24c. BROILERS—44@47c. DUCKS—27@30c. TURKEYS—35c. GEESE—25c. PIGEONS—Pair, 55c. GUINEAS—Pair, $1.25. BROILERS—Express, lb., 46@50c.; White Leghorn, 41@46c. FOWLS—38@41c.

LIVE STOCK AND MEAT PRICES.

Common to prime steers, 100 lbs.	$10.00@16.10
Common to choice bulls, 100 lbs.	7.00@11.50
Common to choice cows, 100 lbs.	3.50@11.00
Common to prime veals, 100 lbs.	16.00@21.00
Common to prime sheep (ewes) 100 lbs.	6.00@10.00
Common to prime lambs, 100 lbs.	10.00@17.50
Live hogs, 100 lbs.	16.25@17.25
Dressed beef, steer sides, lb.	18@25c
City dressed veals, lb.	28@32c
Dressed mutton, lb.	14@22c
Dressed lambs, lb.	24@35c

Gain for Virginia-Carolina.

The report of the Virginia-Carolina Chemical Company's finances for the year ended on May 31 shows a surplus, after Federal taxes and charges, of $7,353,046, equivalent, after preferred dividends, to $20.26 a share earned on $27,984,400 of its common stock, against $6,865,256, or $18.08 a share earned in the last preceding corresponding year.

Scholarships for Bank Clerks.

Twenty scholarships leading to college ...

STEADY RISE IN MILK PRICE IS PREDICTED

Dealers Say 26 Cents Peak Is Due in December.

COTTON GOODS REVIEW.

New Orleans Cotton Market.

Paris Bourse Trading.

WALL STREET GOSSIP.

Stocks Drift Idly.

Professional Advice.

Reserve Ratios Rise.

A Loan Contraction.

Commodity Prices Lower.

Copper Situation.

How Detroit Views It.

NEW YORK STOCK EXCHANGE QUOTATIONS.

SATURDAY, JULY 31, 1920.

Bid.	Ask.	Div. in $.	Sales.	
23	35	..	100	Adams Express
61⅛	65	6	100	Advance Rumely pf.
44	46	6	1500	Ajax Rubber
103	107	7	100	All America Cables
32½	33	1	100	Allis Chalmers Mfg.
80	81⅛	8	600	Am Agric Chem.
89¾	91	10	100	Am Bosch Magneto
37½	38	..	300	Am Can
132	133	12	600	Am Car & Fdy
41	43	4	100	Am Cotton Oil
10⅝	11	80c	500	Am Drug Syndicate
132½	134	6	100	Am Express
77½	78	7	400	Am Hide & Leather pf.
77⅝	78¼	6	300	Am International Corp.
11½	11¾	1	200	Am La France Fire Eng
93	94	6	1100	Am Locomotive
13¾	12¾	..	700	Am Safety Razor
20¾	21½	..	100	Am Ship & Com.
56¼	56¾	4	200	Am Smelt & Ref.
36	36½	3	200	Am Steel Foundries
119	119½	7	200	Am Sugar Ref.
95¼	95⅝	8	400	Am Tel & Tel.
199	201	20	100	Am Tobacco
80¾	81	7	1700	Am Woolen
49	49¾	..	200	Am Writ Paper pf.
53½	53¾	4	1000	Anaconda Copper
2⅜	2⅝	..	200	Assets Realization
79½	80	6	400	Atch, Top & Santa Fe
6½	7½	..	100	Atlanta Birm & Atl.
84½	86	7	100	Atlantic Coast Line